

## Message Text

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ACTION AF-05

INFO OCT-01 ISO-00 EB-05 RSC-01 DRC-01 /013 W

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P 130930Z MAR 74

FM AMCONSUL LUBUMBASHI

TO USDOC WASHDC PRIORITY

INFO SECSTATE WASHDC PRIORITY 1478

AMEMBASSY KINSHASA

AMCONSUL BUKAVU

AMCONSUL KISANGANI

UNCLAS LUBUMBASHI 0121

E.O. 11652: N/A

TAGS: ECON, EFIN CG

SUBJECT: GECAMINES EXPANSION

REF: STATE 047050

1. GECAMINES PLEASED WITH PROPOSALS REFTEL AND, SUBJECT TO FOLLOWING, IS AGREED IN PRINCIPLE.

2. TIMING: DIRGEN UMBA NOW IN KINSHASA AND HIS AGREEMENT IS REQUIRED BEFORE FINAL GREEN LIGHT. GECAMINES WILL ADVISE ASAP. IN MEANTIME TARGET DATE IN SHABA IS MARCH 25. UMBA MAY BE INVOLVED ABOUT THAT TIME WITH SIGNATURE IN KINSHASA OF NEW GECAMINES/SGM ACCORD BUT AT THIS POINT DOES NOT SEEM INSURMOUNTABLE PROBLEM. GECAMINES, HOWEVER, STRONGLY ADVISES THAT TEAM NOT RPT NOT PLAN CONSULTATIONS IN KINSHASA WITH OTHER THAN MISSION OFFICIALS PRIOR TO ITS VISIT TO SHABA. SUCH KINSHASA CONSULTATIONS, SHOULD THEY PROVE NECESSARY OR ADVISABLE, WOULD BE MOST MEANINGFUL FOLLOWING DISCUSSIONS HERE. SUGGEST THEREFORE THAT TEAM PLAN ARRIVE KINSHASA NOT LATER THAN 25 FOR IN-HOUSE BRIEFING AT MISSION, ARRIVE LUBUMBASHI FOR TWO OR THREE DAYS CONSULTATIONS, LEAVING SUFFICIENT TIME TO STOP IN KINSHASA FOR ONE OR TWO DAYS PRIOR

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RETURN US.

3. TENTATIVE SCHEDULE WOULD PROVIDE COMPREHENSIVE FIRST-DAY BRIEFING, FOLLOWED BY INTENSIVE DISCUSSIONS WITH SENIOR GECAMINES ENGINEERS AND EXECUTIVES COVERING EACH OF MAJOR PROGRAM COMPONENTS. THESE MIGHT WELL TAKE PLACE IN PART AT KOLWEZI EXPANSION SITE. GECAMINES NEEDS MAX ADVANCE NOTICE OF COMPOSITION AND SPECIALIZATIONS IN GROUPS TO PLAN INDIVIDUAL AND GROUP CONSULTATIONS.

4. SPECIFIC QUESTIONS RAISED PARA THREE, SEVEN AND EIGHT REFTEL HAVE BEEN PUT TO GECAMINES VIA MEMO TO ALLOW FORMAL CONSIDERED RESPONSE. IN MEANTIME, BASED ON INFORMAL PRIOR TALKS, WE BELIEVE FOLLOWING TO BE CASE:

A. GECAMINES WOULD HOPE FOR SOME FORM OF FIXED PRICE FORMULA, SUCH A LUMP SUM PLUS CONTRACTUAL PROVISIONS TO COVER INFLATIONARY COSTS, ETC. NO LEGAL PROHIBITION TO COST PLUS APPEARS TO EXIST AND WE HAVE IMPRESSION GECAMINES WILLING EXPLORE THIS ROUTE IF NEED BE.

B. BINDING TENDERS IN THIS CONTEXT MEANS SPECIFIC TENDERS WHICH, IF ACCEPTED, WOULD COMPRISE A FIRM CONTRACT BETWEEN THE PARTIES.

C. BELIEVE A GREAT DEAL OF PRELIMINARY ENGINEERING HAS BEEN DONE. REQUESTS FOR PROPOSALS APPARENTLY WILL PROVIDE FLOW SHEETS AND OTHER RELEVANT MATERIAL. INSSUANCE SUCH REQUESTS, HOWEVER, IS AGAIN POSTPONED UNTIL UMBA RETURNS FROM KINSHASA. IF THEY CANNOT BE FORWARDED PRIOR TO TEAM VISIT, THEY WILL BE MADE AVAILABLE ON ARRIVAL.

D. PARA THREE OF LUB 64 REPRESENTS OUR BEST CURRENT KNOWLEDGE OF WORLD BANK ROLE.

5. LOGISTICS: HOTEL CRUNCH HERE GETS WORSE DAILY. WE CAN COUNT ON SOME HELP FROM GECAMINES FOR HOUSING UNCLASSIFIED

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AND LOCAL TRANSPORTATION. SENIOR GECAMINES OFFICIAL WHOM WE CONSULTED PRIOR PREPARATION THIS TELEGRAM EXPRESSED HOPE XWFSBCOMPANY REPS MIGHT BE LIMITED TO NOT MORE THAN TWO EACH. ALSO SUGGESTED THAT EMBASSY REP NOT ACCOMPANY TEAM TO SHABA, SHOULD THAT BE CONTEMPLATED, TO AVOID GIVING UNWANTED POLITICAL COLORATION TO TECHNICAL CONSULTATIONS. REP WOULD OF COURSE BE WELCOME SUBSEQUENTLY.

6. REQUEST EARLY REACTIONS TO FOREGOING.  
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## Message Attributes

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